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NEWS RELEASE

FOR IMMEDIATE RELEASE
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Paul J. McNulty, United States Attorney for the Eastern District of Virginia, announced today that Wade Townsend, age 39, of Richmond, Virginia, pled guilty to committing health care fraud. Townsend will face a maximum sentence of ten years' imprisonment, a \$250,000 fine, and full restitution when he is sentenced by United States District Court Judge Henry E. Hudson on October 24, 2005.

In documents filed with the Court, Townsend admitted that from July of 2002, through October 2004, he, as President and co-owner of Richmond-based Youth and Family Advocates (YFA), and his wife, as Vice President and co-owner of YFA, submitted approximately \$1 million in fraudulent claims to the Virginia Medicaid program. Despite being warned by Medicaid officials that tutoring and mentoring services were not covered by Medicaid, Townsend and his wife repeatedly submitted claims for these services, fraudulently describing them as Intensive In-Home Services. In addition to unlawfully billing for tutoring and mentoring services, Townsend and his wife also billed Medicaid for services rendered to unqualified recipients; services provided by staff members at the same date and time, but at multiple locations, to multiple recipients; and services rendered by employees not qualified to render the services. Townsend and his wife also submitted duplicate billings for siblings with the same staff members at the same times. In addition to the above practices, Townsend's wife and other employees removed, falsified, and altered YFA records in an attempt to prevent law enforcement entities and auditors from discovering their fraudulent practices.

Mr. McNulty stated: "This office is committed to the vigorous prosecution of those who take advantage of our taxpayer-funded health care system. We will continue to devote all available resources to protecting the integrity of Medicaid and all other public health care programs."

Also announcing the plea are Donald W. Thompson, Special Agent-In-Charge, Federal Bureau of Investigation (FBI), Richmond Resident Office; and Virginia Attorney General Judith Jagdmann.

The case was investigated by agents of the FBI and the Virginia Attorney General's Medicaid Fraud Control Unit, and is being prosecuted by Assistant United States Attorney Brian L. Whisler, and Steven Buck, Special Assistant United States Attorney and Assistant Attorney General of the Virginia Attorney General's Office.

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